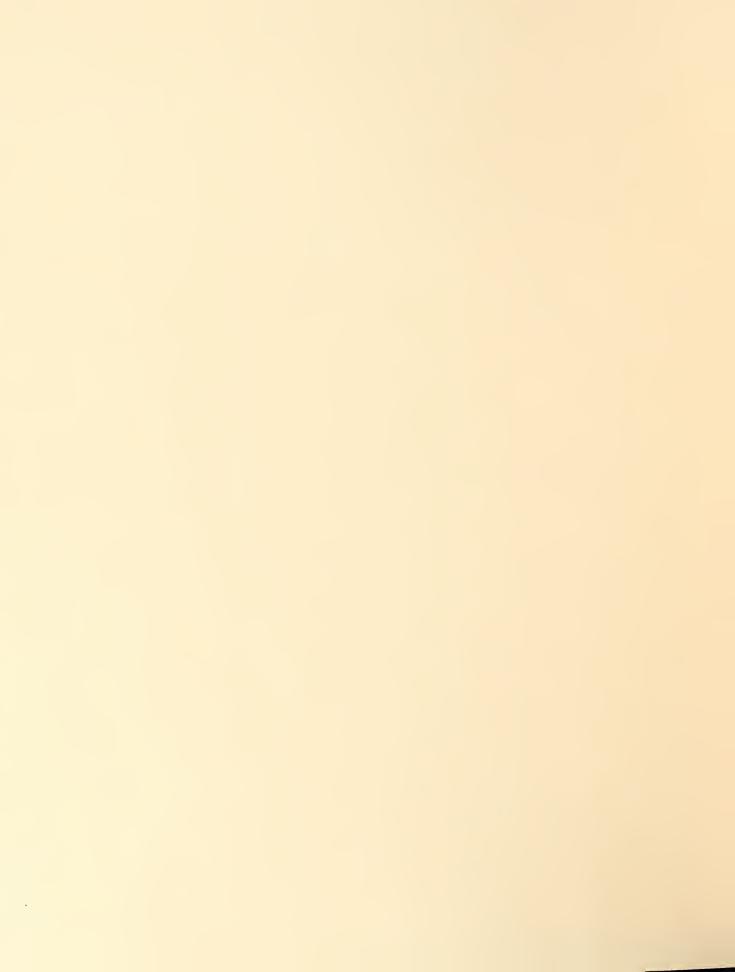
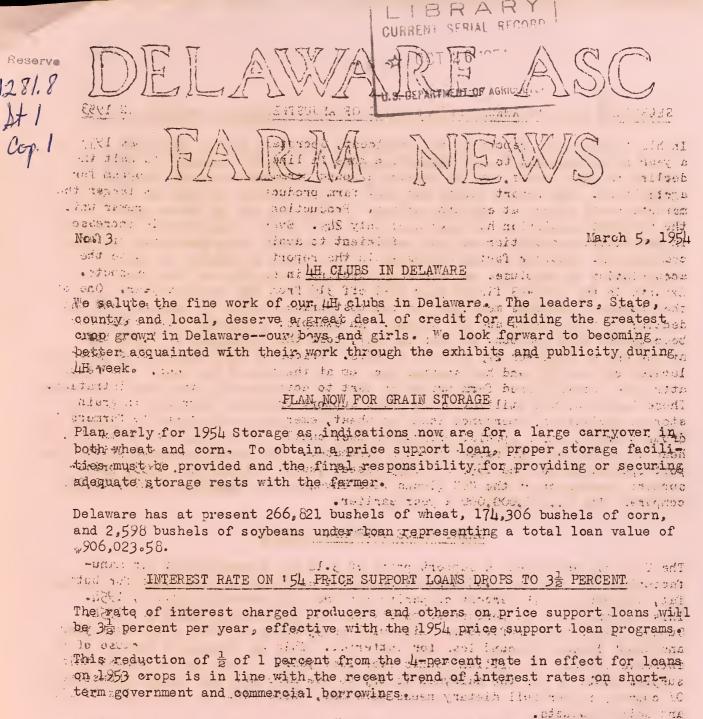
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Lending Agency Agreements for 1954 crop loans, covering the services and interest on the use of funds, will be amended later.

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WHAT CAN WE DO WITH DIVERTED ACRES?

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Acreage allotments on wheat and corn pose the serious problem of what to do with the acres which are diverted from those crops in 1954.

State and county ASC people got together with Extension and SCS staffs and the State Forester on February 18 to discuss practical uses to which this acreage could be put. The Extension Service has prepared a valuable pamphlet which incorporates many of the ideas advanced by the county people at that meeting. A copy is enclosed for your information. County committees plan on enclosing copies with notices of corn acreage allotments, which will be mailed in all counties not later than March 15.

SECRETARY BENSON'S ANNUAL REPORT TELLS OF ADJUSTMENTS AND PROGRESS IN 1953

In his first annual report to the President, Secretary Benson describes 1953 as a year of adjustments to put production more in line with demand, to halt the decline in farm prices, and to develop a sound permanent economic program for agriculture. The report points out that farm production in 1953 was larger than markets could absorb at existing prices. Production was 44% above prewar while the national population had increased only 24%. Even a considerable increase in per capita consumption was not sufficient to avoid large surpluses of farm commodities. Another factor discussed in the report as helping to cause the accumulation of surpluses was the sharp decline in experts of farm products. Exports in the 1952-53 fiscal year fell off 31% from the previous year. One of the thorniest problems mentioned is the cost-price squeeze on farmers, and the decline in farm prices and net income. An example; a tractor which could have been bought with 800 bus. of corn in 1947, cost the equivalent of 1,300 bus. at the end of 1952 -- or 2/3 more in 5 years. Prices of farm commodities generally leveled off in 1953 and had started back up at the end of the year. The report attributes strengthened farm prices in part to activities by the Administration. These included full utilization of price support programs, increase in grain storage facilities, emergency loans on wheat, emergency assistance to farmers in drought areas, and a special program on beef cattle, which took more than 850,000 head of cattle off the market through purchases. The report compares price support operations for the 1952 and 1953 fiscal years. On June 30, 1953, pricesupport investment of the CCC (loans plus inventories) totalled \$3,476,000,000 compared with \$1,437,000,000 a year earlier.

DAIRY PRICE SUPPORTS LOWERED

The USDA has announced a support price of 3.14 per hundredweight for manufacturing milk testing 3.95 percent butterfat and 56 cents per pound for butterfat, amounting to 75 percent of parity for the year starting April 1, 1954. This compares with 90 percent of parity for the year ending March 31, 1954. Support level for manufacturing milk will be 35 cents per cwt. below last year and about 8 cents a pound less for butterfat. This was necessary because of an increase of about $6\frac{1}{2}$ billion pounds over last year. A good way to combat this surplus would be for the dairymen to try to use more milk and butter themselves. Of course, if our full dietary needs were met, there would be no surplus of milk and dairy products.

TOR THE DELAWARE ASC STATE COMMITTEE

By: Mitchell, Chairman

UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Stabilization & Conservation

Courtney and Academy Streets

Newark, Delaware

the confidence of the control of the